ALABAMA SECURITIES COMMISSION

Post Office Box 304700 Montgomery, Alabama 36130-4700

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Arizona Man Pleads Guilty to Securities Fraud Charges

MONTGOMERY, ALABAMA (May 18, 2017) The Honorable Robert Wilters, District Attorney for the 28th Judicial Circuit, Baldwin County, Alabama; and Joseph Borg, Director of the Alabama Securities Commission (ASC) announced that on April 27, 2017, Larry Busch, of Anthem, Arizona, pleaded guilty in Baldwin County Circuit Court to one count of Conspiracy to Commit Securities Fraud for agreeing with others, including previously convicted Baldwin County resident Richard James Tucker, to defraud investors by employing a device, scheme, or artifice to defraud in connection with the offer and/or sale of securities. The offense is a Class C felony, punishable by a term of not more than 10 years or less than 1 year and 1 day imprisonment, and a fine not to exceed \$15,000.

After the plea was entered, The Honorable Circuit Court Judge Scott P. Taylor sentenced Busch to a term of imprisonment of one year and one day. The sentence was ordered to be served concurrently with a one year sentence Busch is currently serving in Arizona on related convictions. Judge Taylor further ordered Busch to pay court costs and fees. Restitution to the victims was already awarded in the Arizona case. As part of the plea, Busch also consented to be permanently barred from the securities industry in Alabama.

The Alabama cases against Busch and over a dozen co-conspirators in two counties were the result of the coordination of multiple investigations by Alabama, Arizona, Federal, and international authorities. The investigations looked into a large group of perpetrators of investment fraud, and have resulted in more than 20 felony convictions in Alabama, Arizona, California, and Italy. Busch was indicted by the Baldwin County Grand Jury in December 2014. Busch acted as an attorney "paymaster" and received investment funds into his attorney trust and escrow accounts that were solicited from investors by his co-conspirators. The co-conspirators represented to victim investors that they could secure financing for various projects by investing in standby letters of credit, bank guarantees, commodities trading programs and other investment products. The co-conspirators represented to investors that their funds would remain safe in Busch's accounts until the investments matured. Instead, all of these programs were fictitious, and the invested funds were almost immediately wired out of Busch's accounts to the various co-conspirators where they were spent on personal expenses. The participation of Busch, claiming to hold funds in his attorney accounts, was a major factor that lulled investors into believing their investments were secure. Neither Busch, his co-conspirators, nor any of the securities they sold, were registered with the ASC, as required by Alabama law.

The ASC cautions potential investors to thoroughly scrutinize and research any investment opportunity or offer. Contact the ASC with inquiries concerning securities broker-dealers, agents, investment advisers, investment adviser representatives, financial planners, registration status of securities or debt management programs, to report suspected fraud or to obtain consumer information. The ASC provides free investor education and fraud prevention materials in print, on our website and through educational presentations upon request.

For further information contact Dan Lord, Education and Public Affairs Manager, 334-353-4858.

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